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Northern Ireland: Unionist Day of Protest

The violence and intimidation during a Unionist day of protest on 3 March against the Anglo-Irish Agreement have been condemned by the Secretary of State for Northern Ireland, Mr Tom King. The Secretary of State emphasised the need for the Unionist leaders to take part in constructive discussions in order to address the concerns of those they seek to represent.

Parliamentary Statement

In a statement in the House of Commons on 4 March (*Hansard*, Vol 93, No 70, cols 153-65) Mr King said that the day of action and protest had been called by the leaders of the two main Unionist parties. They had invited everyone to stay away from work and stated that it was to be a passive and voluntary demonstration and that there should be no road blocks nor intimidation of those going to work. In the event, there had been widespread obstruction, intimidation and some violence during the day, culminating in serious disorder in east and north Belfast at night. In spite of this a very considerable number of people succeeded in getting to work, particularly in the commercial offices and the public services, but many factories were seriously affected.

Mr King referred to the work undertaken by the Royal Ulster Constabulary in keeping roads open, but said that there had been complaints that the police had not taken all the action that was required. The Chief Constable was preparing a report on the day's policing. Pictures of 'disgraceful incidents' had been shown all over the world on television and would damage the reputation of the Province. Members of Parliament making common cause with people in paramilitary dress were also seen.

The Government was well aware of the strength of feeling among many unionists about aspects of the Anglo-Irish Agreement (see pp 367-74, 1985), said Mr King. The Prime Minister and he had met the leader of the Ulster Unionists (Mr James Molyneaux) and the leader of the Democratic Unionists (the Reverend Ian Paisley) on 25 February. The Prime Minister had put forward a number of proposals to help meet their main concerns and agreed to consider positively their suggestion that the Government should call a round table conference to discuss devolution in Northern Ireland. The prospect of constructive discussions instead of confrontation had been greeted with relief in Northern Ireland, only for that to be destroyed by the leaders' repudiation of this course following a meeting in Belfast late that night, after which they decided to proceed with the day of protest.

It was now urgent for the Unionist leaders to recognise again that the only way in which the concerns of those they sought to represent could be addressed was by constructive discussion and not by threats of violence. The degree of intimidation evident had shown how little confidence many of the organisers had in being able peacefully to persuade their fellow citizens to join their protest, said Mr King. He believed that an increasing number of unionists, while disliking many aspects of the Anglo-Irish Agreement, wished to look for a constructive way forward.

In response to questions on his statement, Mr King said he would do all he could to seek ways in which discussions could be started with the political parties in Northern Ireland. The Government was anxious to achieve a system of administration there on a basis that was widely acceptable to both communities. That aim had been made clear and the Anglo-Irish Agreement was designed to encourage it. The purpose of the Agreement was also to reassure the Unionists about the validity of the position of the majority and to get the agreement of the Irish Republic confirmed in an international agreement which said that there could be no change in that position without the consent of the majority. There were already signs of the benefit that came from the Agreement. Unionists should take comfort from the switch in votes from the party supporting violence [Sinn Fein] to the constitutional nationalist party [Social Democratic and Labour Party] in the recent by-elections (see p 32). They should also begin to notice the encouraging signs of better co-operation on cross-border security.

Opposition Views

Mr Peter Archer, chief official Opposition spokesman on Northern Ireland, said that his party shared the Government's abhorrence of violence and intimidation which further alienated the sympathies of many people in Great Britain. He said that meetings between responsible leaders from all sections of opinion in Northern Ireland would isolate the men of violence on both sides of the divide and offer a less dismaying future for the people of Northern Ireland.

Mr Stephen Ross, speaking for the Liberals, said that his party supported the Government's view of the right way to proceed. They acknowledged the genuine feelings of unionists who had suffered at the hands of terrorists, but asked whether it was not time for the unionists to recognise that there was not an inexhaustible supply of finance from the rest of the United Kingdom.

Renewal of Prevention of Terrorism Act

The Prevention of Terrorism (Temporary Provisions) Act 1984 was renewed for a further 12 months in the House of Commons on 19 February. The Home Secretary said that the successes the police had had in countering and preventing terrorism over the past year had indicated both the continuing nature of the threat and the effective use that could be made of the special powers provided by the Act.

An Order to renew the Prevention of Terrorism (Temporary Provisions) Act 1984 for a further 12 months from 22 March was approved in the House of Commons by 169 votes to 109 (*Hansard*, Vol 92, No 62, cols 415-37). The present Act is the third of its kind, the first having been introduced in 1974.

Home Secretary's Speech

Opening the debate on the Order the Home Secretary, Mr Douglas Hurd, said that the question was how a democratic society could legitimately respond to the use of indiscriminate and brutal violence for political ends. Traditional liberties had to be protected, but it was necessary to be realistic about the threat posed to Britain's free society by terrorism. Society had a right to defend itself, to protect innocent citizens and to give to the police and the Government carefully defined exceptional powers subject to the regular approval of Parliament. Mr Hurd said the Act was the best weapon against the continuing menace of terrorism and its renewal was a sad but necessary step.

In relation to terrorism connected with the affairs of Northern Ireland the Act provided powers to prosecute terrorist organisations; to exclude terrorists from a part or the whole of the United Kingdom; and to detain for questioning persons suspected of involvement in terrorism. The last power was also available in relation to international terrorism. The Act also established the offences of supporting proscribed organisations, breaching or helping to breach exclusion orders, contributing to acts of terrorism and withholding information about terrorism. The Act made substantial inroads into ordinary civil liberties and the Government accepted that it should not be kept in force longer than was necessary. Mr Hurd gave examples of recent terrorist attempts in Great Britain that had been frustrated and of charges made under the Act. The Act had also been used in connection with terrorist activity associated with Indian affairs involving members of the Sikh community in Britain.

The annual renewal procedure helped to remind the House that the powers were exceptional and helped to prevent them from becoming an accepted feature of the criminal law. The Government's consideration of the matter was assisted by the review that had been carried out in 1985 by Sir Cyril Philips [as also in 1984 – see p 64, 1985]. Sir Cyril had suggested that Parliament should pay special attention to the exclusion powers which considerably infringed normal civil liberties, but in view of the security situation the Government was not persuaded that it would yet be safe to abandon these powers. At present 240 exclusion orders were in force, most of them excluding people from Great Britain; a great many of them were made under previous Acts and were indefinite. In 1979 the practice was begun of reviewing all exclusion orders of more than three years' standing. Since the passage of the 1984 Act (see pp 352-3, 1983), which established a three-year time-limit for new exclusion orders, the review of old orders had been accelerated, but in a significant number of cases exclusion had had to be maintained to protect the public. As the reviews continued, it was possible that a hard core of committed and active terrorists would be identified. Sir Cyril had suggested that the review process should continue and that the power to maintain the exclusion in some cases might be preserved.

Sir Cyril had made another suggestion which Mr Hurd said he was not able at the moment to accept – that, in view of the declining use of the exclusion power, no new orders should be made against people who had not previously been excluded. Although the powers were used more sparingly than in the past – seven new orders were made in 1985 – they were reserved for the most serious cases and he was sure that the possibility of exclusion had some deterrent effect which restricted the movement of many active terrorists.

Opposition Views

Mr Gerald Kaufman, the official Opposition spokesman on home affairs, said that in terms of preventing terrorism the Act was a failure. Statistics showed that 92 per cent of those detained under the legislation had not been subject to any charges. The Act's detention powers in England and Wales could no longer be justified after the implementation of the Police and Criminal Evidence Act 1984 which provided for the detention without charge of those suspected of serious criminal offences for up to 96 hours (see pp 400-4, 1983 and 397-9, 1984). The most controversial power under the Act was the power of exclusion. The Home Secretary had admitted that exclusion orders considerably infringed ordinary civil liberties but had rejected Sir Cyril Philips' recommendations. The Opposition would vote against the Act because it had not been offered any convincing evidence to justify its continuance.

Speaking for the Liberal Party, Mr Alex Carlile said that he welcomed the Government's acceptance of the need for more effective monitoring of the operation of the legislation but considered that Sir Cyril Philips' points deserved 'less of a brush-aside response' than they had received. Sir Cyril had said that new exclusion orders had become less important as a means of preventing terrorism and were of diminishing significance. He had also pointed out that the Police and Criminal Evidence Act enabled the police to detain and question suspected terrorists effectively in the context of criminal procedure and codes that applied to everyone. He shared Sir Cyril's view that that legislation was sufficient to render exclusion as alien to the concept of justice as it ever was and separate consideration should be given to whether those sections of the prevention of terrorism legislation dealing with exclusion orders should be retained.

EXTERNAL AFFAIRS AND DEFENCE

Britain and Disarmament

The importance of confidence and trust in multilateral disarmament negotiations was emphasised by Mr Timothy Renton, a Minister of State at the Foreign and Commonwealth Office, in a speech given to the Conference on Disarmament in Geneva on 25 February. He also outlined the various proposals recently made by Britain on arms control issues.

Mr Renton stated that Britain's goal was an enduring peace which assured continued security, and that at least partial confidence and trust were necessary for nations to initiate disarmament negotiations and for progress to be made. The period of considerable achievement in arms control from the mid-1960s to the mid-1970s had not been paralleled since because of an erosion of international confidence and a corresponding increase in suspicion. 'Trust needs to be re-established on a basis of mutual respect. Confidence needs to be reflected in a serious approach to negotiations. Empty gestures, and – worse still – empty agreements, do little to advance either.' Disarmament agreements also had to be verifiable and complied with if any of them were to enhance stability and security.

United States-Soviet Negotiations

The prospects for real progress in arms control and disarmament negotiations appeared to be better now than for some years, the Minister said, since the November 1985 summit meeting in Geneva between the United States President, Mr Ronald Reagan, and the Soviet leader, Mr Mikhail Gorbachev, had created a favourable international climate and had helped to establish a measure of confidence and greater understanding between the two leaders (see pp 376-8, 1985). Their agreement to apply the principle of a 50 per cent reduction in strategic nuclear weapons was to be welcomed, and this, together with their instruction to negotiators to accelerate the pace of the talks, would provide new impetus. Mr Gorbachev's recent proposals (see p 87), while containing much that was already familiar, also had some new concepts which Britain had been considering intensively with its allies. Mr Reagan had responded with a range of constructive and realistic proposals of his own which, the British Government believed, would provide a sound basis for rapid bilateral negotiations, and which would be consistent with the maintenance of Western security at all times. The question was whether the Soviet negotiators would make their own contribution to rapid progress. Although Mr Gorbachev had stated in January that he would accept reasonable verification measures in the negotiations in Vienna on mutual and balanced reductions of forces in Europe, Mr Renton said that the Soviet response to the Western December 1985 proposals was merely a rehash of proposals made by the Soviet Union in 1983 and rejected then by the West as inadequate (see footnote 2, p 376, 1985).

Referring to Britain's nuclear armaments, Mr Renton said that its strategic nuclear forces were not relevant to any possible United States-Soviet agreement on intermediate-range nuclear forces (INF) in Europe: 'The weapons systems concerned are not comparable in their capability or role. Nor, given the minimum nature of our deterrent – less than 3 per cent of the nuclear forces available to the Soviet Union – do we see any scope for a British contribution to any reductions in present circumstances. However, . . . [if] there were very substantial reductions in United States and Soviet strategic arsenals, and if there were no significant changes in Soviet defensive capabilities, we would wish to review the position, and consider how best to contribute to arms control in the light of the reduced threat.' In his latest proposals, President Reagan had firmly rejected Soviet attempts to make constraints on the independent British nuclear forces a precondition for a bilateral INF agreement.

Other International Negotiations

Since Britain viewed the various arms control and disarmament negotiations as a network of complementary activities, with progress in one area enhancing prospects in others, the Government welcomed all the more the momentum being developed in the bilateral United States-Soviet talks. In Stockholm, Britain hoped that the Conference on Disarmament in Europe would be able to agree on practical and concrete confidence- and security-building measures, such as the exchange of military information and the notification of military activities, which would reduce tension and the risk of surprise attack. Britain could also look back with satisfaction on the successful outcome of the review conference on the 1968 Treaty on the Non-Proliferation of Nuclear Weapons[1] and would play a constructive and energetic role in the

[1] The third review conference of the Treaty ended on 21 September with the adoption by consensus of a final document strongly endorsing the Treaty. In it, the 86 parties attending the conference declared their conviction that the Treaty was essential to international peace and security, their continued support for the objectives of the Treaty and their determination to enhance the implementation of the Treaty and to further strengthen its authority (see pp 291-3, 1985).

review conference on the Biological Weapons Convention, to be held in Geneva later in 1986.[1]

Chemical Weapons

Turning to the negotiations in the Conference on Disarmament on the banning of chemical weapons, Mr Renton welcomed both the joint commitment by President Reagan and Mr Gorbachev to accelerate efforts to conclude an effective and verifiable international convention, and Mr Gorbachev's recent statement calling for early and complete elimination of chemical weapons and of the industrial basis for their production. Since there was general agreement that the main problem still to be solved was compliance, stringent measures of verification were needed to overcome suspicions that chemical weapons would be retained or produced clandestinely in violation of the convention or that facilities for their production would be maintained under the guise of the civil chemical industry. To allay these suspicions, a combination of verification methods was needed that would cover, during the transitional period, the complete elimination of chemical weapons and their production facilities, and that would ensure, on a permanent basis, that material was not being diverted from civil purposes to make chemical weapons. Further, it was widely accepted that the measures of verification should include a system of fact-finding (by challenges) that could be initiated by a party suspicious about the compliance of another party. The British delegation had proposed that this system should be strengthened by a system of regular international inspection on a random basis, combined with the international exchange of data (see pp 103-4, 1985). The purpose was to forestall suspicions that substances used for peaceful purposes might be diverted to the manufacture of chemical weapons; after detailed consultations with its own chemical industry, Britain was convinced that this purpose could be accomplished without disrupting peaceful industrial operations or infringing commercial confidentiality.

Mr Renton said that those countries that possessed large stocks of chemical weapons needed to help devise means of convincing others that they would destroy them, and to agree to measures of verification that would give other countries the confidence that they would not make them again. If work on a proposed convention was to be accelerated, delegations had either to accept what had been proposed or to offer detailed alternatives to generate the required confidence. Noting recent reports about the use of chemical weapons in the Iraq-Iran conflict (see p 89), Mr Renton stressed the need for a world-wide ban which he believed could be achieved.

Nuclear Testing

The conclusion of a comprehensive test ban treaty, Mr Renton said, was one of the objectives of Britain's arms control policy, but the Government continued to be gravely concerned about verification, especially undetected non-compliance. As noted in the British papers submitted to the Conference (see pp 229-30, 1985), there were at present inadequacies in the ability both to detect and to identify nuclear testing, and these underlined the need for improvements in any verification regime before agreement could be reached on a ban. Since these problems would not easily be overcome, it would be premature to resume negotiations until solutions to them became more apparent. The assessment of adequate verification remained a political judgment, which, although backed up by technical findings, rested upon a range of considerations including the extent of political confidence on the part of one party that others would comply with a treaty. Discussions on the technical issues of verification and the scope of a ban could provide new guidelines for possible progress and Mr Renton hoped that an *ad hoc* committee could be established during the current session as part of a step-by-step approach to an agreement.

Other steps could also be taken, the Minister continued. In the case of nuclear testing, Britain believed that formal ratification of the two unratified treaties between the United States and the Soviet Union restricting nuclear tests would be a useful step,[1] provided that both sides could be confident in the other's compliance with its obligations. Britain welcomed President Reagan's recent offer to exchange observers at test sites and his invitation to the Soviet Union to send observers to a test without any equivalent mutual obligation, and hoped that these offers would be accepted by the Soviet Union so that early moves towards ratification would be possible as a result of such co-operation.

Strategic Defence Initiative

Reiterating Britain's policy on the United States' Strategic Defence Initiative, Mr Renton said that, although the British Government shared wholeheartedly the objective of the United States-Soviet negotiations (the prevention of an arms race in space), it also regarded the United States' research programme as a prudent step in view of Soviet activities in this field which had been going on for years. The United States' programme was in full compliance with all relevant international treaties and in accordance with the four cardinal points agreed between the Prime Minister, Mrs Margaret Thatcher, and President Reagan in December 1984 (see pp 11-12, 1985). It was on this basis that Britain had concluded an agreement with the United States to participate in its research programme (see pp 9-10).

Radiological Weapons

Progress towards a draft treaty banning radiological weapons, which the Conference on Disarmament had been working on, had been slowed down by the desire of some countries to link radiological weapons to the issue of protection for peaceful nuclear facilities, Mr

[1] Britain and the other parties to the 1972 Biological Weapons Convention, which entered into force in 1975, have undertaken never to develop, acquire or retain biological agents or toxins of types that have no justification for peaceful purposes; this provision also applies to weapons, equipment, or means of delivery designed to use such agents or toxins for hostile purposes. For many years previous to the convention, biological weapons were classed with chemical weapons for the purposes of negotiations; in 1968, however, Britain proposed that the former should be dealt with separately and this led to the convention eventually being adopted. More than 100 parties have ratified the convention and the first review conference took place in 1980.

[1] These treaties are the 1974 Treaty on Limitation of Underground Nuclear Weapons Tests, banning underground tests above a yield threshold of 150 kilotons, and the 1976 Peaceful Nuclear Explosions Treaty, extending the 1974 threshold to all individual nuclear test explosions and imposing a new threshold of 1,500 kilotons for all group explosions. Both the United States and the Soviet Union have announced their intention to observe the threshold limits.

Renton said. While the British Government was prepared to consider additional issues and was also ready to consider constructive suggestions for breaking the continuing impasse, it did not believe that the Conference should be bogged down year after year on the issue of radiological weapons.

Conclusion

Concluding, Mr Renton pointed out that the Conference should not allow its rightful concern about nuclear weapons to let it lose sight of the horror and destructive power of conventional weapons that had been responsible for all of the tens of millions of lives lost in innumerable international and civil conflicts since 1945. Mr Renton also reminded the Conference of the link between nuclear and conventional weapons. Since the Western Alliance faced a massive superiority in conventional weapons on the part of the potential aggressor, nuclear weapons therefore had a contribution to make to deterring such an aggression. As long as that conventional imbalance existed, there was a continuing need for that nuclear contribution. The increased attention given to conventional weapons by the United Nations General Assembly, together with the important study completed by the United Nations (see p 247, 1985), would ensure that proper attention to the subject of conventional weapons would also be paid in other international fora, including the Conference on Disarmament.

RECENT PROPOSALS

On 15 January Mr Gorbachev proposed a three-stage timetable for the elimination of nuclear weapons. The first stage envisages that within the next five to eight years the Soviet Union and the United States would reduce by one-half the nuclear weapons that can reach each other's territory, each side retaining no more than 6,000 warheads. Such a reduction would be conditional on both powers mutually renouncing the development, testing and deployment of space strike weapons. Under the second stage, which would start no later than 1990 and last for five to seven years, the other nuclear powers, too, would begin to engage in nuclear disarmament and would pledge to freeze all their nuclear arms. Nuclear powers would also pledge not to base their nuclear arms in other countries. At the same time, the United States and the Soviet Union would continue the reductions agreed in the first stage and carry out further measures designed to eliminate their medium-range nuclear weapons and freeze their tactical nuclear systems. Stage three would begin no later than 1995 and would involve the elimination of all remaining nuclear weapons by the end of the century. Verification would be carried out by national technical means and through on-site inspections, although the Soviet Union would also be ready to agree to any other additional verification measures.

The United States' official response to the Soviet proposals was published in a statement by President Reagan on 24 February. Noting that Mr Gorbachev appeared to agree with the United States' ultimate goal of eliminating all nuclear weapons, Mr Reagan stated that, as a means of accomplishing this aim, the United States supported a process by which the two powers would first implement the principle of 50 per cent reductions in the offensive nuclear forces of both sides, appropriately applied, and quickly negotiate an agreement on intermediate-range nuclear forces. Welcoming the Soviet Union's recognition of the United States' long-held view of the need for verification, the United States statement pointed out, however, that many of the specific details proposed in subsequent phases in the Soviet plan were not appropriate for consideration at the moment; for instance, the United States believed that the total elimination of nuclear weapons would also require the correction of the conventional and other force imbalances that existed between countries of the North Atlantic Treaty Organisation and the Warsaw Pact,[1] full compliance with existing and future treaty obligations, and peaceful resolution of regional conflicts in ways that allow free choice without outside interference. On the area where immediate progress could be made – the INF negotiations in Geneva – the statement pointed out that the United States had tabled a concrete plan calling for the elimination of United States Pershing II and cruise missiles and Soviet SS20 missiles, not only in Europe but in Asia as well, by the end of the 1980s.

British Views

Speaking in the House of Lords on 12 March (*Hansard* (HL), Vol 472, No 59, cols 664-71), Lady Young, a Minister of State at the Foreign and Commonwealth Office, welcomed Mr Reagan's 24 February statement, and said that the British Government would continue both to play its full part in these negotiations and to give Mr Reagan full support in his efforts to achieve real and lasting progress in arms control. Lady Young said that in her reply of 10 March to Mr Gorbachev's January proposals, Mrs Thatcher had reiterated the British view that its nuclear forces were not relevant to the bilateral United States-Soviet negotiations. On the question of intermediate-range nuclear forces, Lady Young said that Mr Gorbachev's proposals would allow the Soviet Union a number of SS20 missiles which, though redeployed in the far east of the Soviet Union, could easily be transported back to the European theatre in a time of crisis and thereby defeat the United States' aim of eliminating all land-based intermediate-range nuclear forces. Furthermore, the Soviet suggestion for a freeze on nuclear weapons would make impossible the modernisation of Britain's strategic deterrent, and without modernisation it would soon cease to be a credible deterrent.

British-Soviet Economic and Industrial Co-operation

Britain and the Soviet Union signed a new five-year economic and industrial co-operation programme in London on 6 February.

The new programme, which replaces one signed in 1975 (see pp 96-7, 1975), will run for five years with an automatic extension for a further five years unless

[1] In the key region of central Europe, the Warsaw Pact has 200,000 more troops than the Alliance and enjoys a superiority of 2·1 to 1 in tanks, 1·3 to 1 in anti-tank guided weapons, 2·7 to 1 in artillery, and 2 to 1 in fixed-wing tactical aircraft.

revised in 1990. Announcing details at a press conference on 6 February at the beginning of a two-day ministerial meeting of the British-Soviet Joint Commission, the Secretary of State for Trade and Industry, Mr Paul Channon, said that under the agreement there were prospects during the new Soviet five-year plan (1986-90) for British companies to export technology and equipment for the chemicals, petroleum and gas sectors. Opportunities also existed in the fields of instrumentation and control systems, food and agriculture, and many other sectors, all worth billions of pounds.

The main points in the economic and industrial co-operation programme, drawn up by the British-Soviet Joint Commission which was set up in 1971 to promote economic co-operation, are:

1 To encourage and assist firms, trade organisations and enterprises to provide credits and to exchange information on the working of the programme;

2 Co-operation in the construction, expansion and modernisation of industrial enterprises in both countries, including those involved in chemicals and petrochemicals, gas and oil, metallurgy, agro-industrial products (such as food, tea, soft drinks, tobacco, agricultural equipment, and packaging), engineering, machine-tools and electrotechnical products (for example, industrial robots and control equipment, electronic computers, and energy-saving equipment), and pulp and paper;

3 The development of industrial co-operation, including joint production, which envisages joint ventures in the Soviet Union and in third countries; and

4 The encouragement of British firms to make long-term trading arrangements with their Soviet counterparts.

Mr Channon pointed out that following the 1975 programme trade had doubled within five years, proving that such agreements did open up opportunities for British firms in the Soviet Union. Although it would by no means guarantee orders, the new programme would increase the opportunities to win business. Referring to the target of a growth in British-Soviet trade of 40 to 50 per cent during the next few years, set by Mr Mikhail Gorbachev during his visit to Britain in December 1984 (see pp 10-11, 1985), Mr Channon said that, although there was some way to go, he was optimistic of achieving it.

Background

In 1984 Britain exported goods worth £735 million to the Soviet Union, including unusually high re-exports of non-ferrous metals (mainly silver and tin); in the previous six years British exports to the Soviet Union averaged around £416 million a year. In 1984 imports from the Soviet Union were worth £854 million, the main items being raw materials (oil and oil-related products), cork and wood, hides and skins, chemicals and road vehicles; in the previous six years, the average was £534 million a year. Provisional figures for 1985 show that British exports to the Soviet Union amounted to £537 million and imports from it were worth £725 million. In manufactured and semi-manufactured goods, Britain has traditionally maintained a trade surplus with the Soviet Union.

Iran-Iraq Conflict

Britain has called for an immediate ceasefire and renewed international efforts to achieve an early, peaceful settlement to the war between Iran and Iraq, which has intensified in recent weeks, resulting in heavy casualties on both sides. The United Nations Security Council, which debated the issue in February, passed a resolution condemning the prolongation of the conflict and calling on both sides for a cessation of all hostilities.

Background

The latest phase in the war between Iraq and Iran, which broke out in 1980 (see pp 290-2, 1980 and pp 211-12, 1984), was marked by a major offensive in early February by Iranian forces in the region of the Iraqi port of Faw, close to the border with Kuwait. On 12 February the Arab League Committee on the Gulf War, which comprises the foreign ministers of Saudi Arabia, Kuwait, Jordan, Morocco, Tunisia, North Yemen and Iraq, met in Baghdad to consider measures to be adopted in view of the new Iranian offensive, which, they said, posed a threat to the security of several Arab countries. The Committee called for an urgent meeting of the United Nations Security Council to discuss the war.

Security Council Resolution

On 18 February the Security Council met to consider the issue and on 24 February adopted unanimously resolution 582,[1] expressing its deep concern over the prolongation of the conflict which had resulted in heavy losses of human lives and considerable material damage, and endangered international peace and security. Emphasising the principle of the inadmissibility of the acquisition of territory by force, the resolution deplored the initial acts which had given rise to the conflict. It also deplored the conflict's escalation, especially territorial incursions; the bombing of purely civilian population centres and neutral shipping; and the violation of international humanitarian law and other laws of armed conflict and in particular the use of chemical weapons contrary to obligations under the 1925 Geneva Protocol. The resolution called upon Iran and Iraq to observe an immediate cessation of all hostilities and urged that a comprehensive exchange of prisoners-of-war be completed within a short period in co-operation with the International Committee of the Red Cross. It further requested both parties to submit immediately all aspects of the conflict to mediation including withdrawal of forces to the international boundary, with a view to putting a permanent end to all hostilities. All other states were asked to exercise the utmost restraint and to refrain from any act which might lead to a further escalation and widening of the conflict.

Britain's Views

Explaining his support for the resolution, Britain's Permanent Representative at the United Nations, Sir John Thomson, said that Britain joined other members of the Council in their deep concern at the tragic and unnecessary conflict. It also fully shared the concern

[1] Iran boycotted the proceedings of the Security Council.

expressed by Iran's and Iraq's neighbouring states – which had consistently sought to avoid being drawn into the conflict – at the further escalation of the fighting and its possible development.

Britain wished to see the Council take effective action, which had to have as its clear objective the agreement of both sides to a series of related steps: first, an immediate ceasefire in order to end the senseless slaughter which had already cost the lives of hundreds of thousands, combatants and non-combatants alike; secondly, withdrawal of all forces to the boundaries recognised before the outbreak of hostilities; and thirdly, the opening of negotiations, directly or under United Nations auspices if that was what the parties desired, leading to a permanent end to all hostilities and to a just, honourable and comprehensive settlement of all aspects of the conflict. The United Nations would need to play a major role in bringing about this programme, since the ceasefire and withdrawal would need to be supervised and monitored by United Nations personnel authorised by the Security Council and organised and controlled by the Secretary-General, who would need to exercise mediatory efforts to resolve the conflict.

In pursuing these objectives, Britain would be swayed by the facts and needs of the situation, but not by pressure from either side. It was now a question of both sides accepting the steps which had been identified. In a letter to the Secretary-General, Iran had expressed appreciation of his valuable efforts and its belief that the Council should reaffirm his mandate to pursue them. The Iraqi Government took the same view and had expressed its readiness to co-operate with the Council. The trust placed in the Secretary-General by both parties was one of the most important elements in international efforts to build an approach between the positions of the two sides, and thereby put an end to the fighting.

There were further aspects of the conflict which, until it ended, were of grave concern to Britain, Sir John continued. These included the treatment of prisoners-of-war, a matter on which both sides appeared to be in serious breach of their international obligations; and the question of the bombardment on various occasions of civilian population centres, in contravention of international law under the Geneva Conventions of 1949. In addition, there continued to be attacks contrary to international law on the shipping of states not party to the hostilities, and interference with the freedom of navigation.[1] It was also important that the International Civil Aviation Organisation resolution of 23 April 1985 concerning the safety of civil aircraft was fully respected.[2]

One of the aspects of the conflict which was of the gravest concern to Britain and others was the serious allegations made by both sides concerning the use of chemical weapons. A report by a United Nations team of experts in April 1985 had confirmed their use against Iranian troops,[3] Sir John said; this matter could not be set aside or treated as a minor concern, and investigation and action should be undertaken in accordance with past practice. Neither this nor any of the other issues mentioned, however, should be allowed to cause delay in efforts to end the fighting. It should on the contrary serve as an added incentive to all parties to seek an immediate solution.

[1]Security Council resolution 552 of June 1984 (see p 212, 1984) condemned attacks by both Iran and Iraq on international shipping passing through the Gulf and reaffirmed the principle of free navigation.

[2]In April 1985 an extraordinary session of the International Civil Aviation Organisation Council was convened at the request of Iran to consider a notification issued by Iraq on 17 March 1985 which stated that, due to the operations of Iraqi air force fighters within Iranian airspace, Iraq was not responsible for the safety of international flights operating within that airspace. The Council unanimously adopted a resolution urging all parties involved to take necessary steps to assure the safety and regularity of international civil aviation along designated air traffic service routes.

[3]The use of mustard gas and the nerve agent Tabun in the Gulf conflict was confirmed by United Nations reports in March 1984 and April 1985. In April 1984 Britain imposed controls on the export of certain industrial chemicals capable of being used as components of offensive chemical weapons. Following recent allegations, a special United Nations delegation arrived in Iran on 26 February to investigate the use of chemical weapons in the war.

ECONOMIC AND SCIENTIFIC AFFAIRS

Wages Bill

The Wages Bill, which updates the law on payment of wages, reforms legislation on wages councils and abolishes payment of redundancy rebates to employers with ten or more employees, has received its second reading in the House of Commons.

Main Provisions

The first part of the Bill deals with the repeal of the Truck Acts 1831 to 1940 (which gave manual workers the right to be paid in cash). It establishes restrictions on deductions from wages, so that those would be unlawful unless provided for in law (such as income tax or national insurance), in the contract of employment, or with the written consent of the worker. Special protection is set for workers selling or supplying goods to the public, so that deductions for stock or cash deficiencies would be limited to not more than 10 per cent of each wage payment. The Bill establishes a new right of access to industrial tribunals over claims relating to such deductions.

The second part of the Bill is concerned with reforming the powers and functions of wages councils, as indicated by the then Secretary of State for Employment in July 1985 (see p 278, 1985). The provisions would limit the application of wages orders to workers aged 21 or over, and would restrict wages councils to setting a single minimum hourly rate of pay, a single overtime rate and a limit on the amount chargeable for accommodation if this would take pay below the legal minimum. Before making an order, a council would be required to consider the effect on employment.

Provisions contained in the third part of the Bill would implement the Government's proposal, announced in November 1985 (see p 390, 1985), to abolish the arrangements for firms to reclaim from the Government part of the cost of statutory redundancy payments, except for employers with less than ten employees.

Parliamentary Debate

The Bill was given a second reading in the House of Commons on 11 February by 263 votes to 206 (*Hansard*, Vol 91, No 55, cols 798-883).

Government View

Opening the debate, the Paymaster General and Minister for Employment, Mr Kenneth Clarke, said that the central purpose of the Bill was to create employment opportunities, especially for young people. Changing the rules governing wage payments would also have other worthwhile results by giving rights to workers to ensure that they received their wages due, helping to break down barriers of status and conditions between manual and non-manual workers, and, to a small extent, reducing opportunities for crime.

Mr Clarke said that the first part of the Bill would remove a number of obsolete laws, based on the Truck Acts, governing the way in which workers were paid, in particular the right of manual workers to insist on being paid in cash. The Truck Acts had been designed to deal with abuses in the nineteenth century where workers had been paid in kind or forced to spend their wages at the company shop, but were now 'preventing desirable moves to non-cash methods of wage payment and the greater harmonisation of the conditions of manual and non-manual workers'. Cashless pay was preferable for a number of reasons, being cheaper and offering greater security through reduced opportunities for wage snatches and theft. The old laws had tended to increase and perpetuate differences in conditions and status between white-collar and blue-collar workers which had 'absolutely no place in a modern industrialised society'. He emphasised that the Bill did not remove any existing contractual right to payment in cash and did not force an employer to change to a cashless payment system if he or she did not wish to change. The Bill introduced 'an important new and modern set of rights for workers in respect of deductions from pay' by making unlawful any deduction not provided for in statute, in the contract of employment or by written agreement.

The reforms affecting the wages councils were intended to simplify the requirements imposed by wages councils, Mr Clarke continued. Many of the wages council orders for adults were lengthy, complex and difficult to interpret. Accordingly, the Government wished to simplify the orders so that they would set only a basic minimum rate for ordinary hours, a single rate for overtime and some restrictions on deductions that could be made for accommodation. The simplified orders would be 'less of a deterrent to the employment of adults than the present ones'.

The Government was making it easier to review and, if necessary, to change the scope of, or to abolish, existing councils, but it had decided to retain them following consultations in 1985 which had shown that many employers and trade unions still felt a need for them. The number of councils had been falling for many years, to 26 in 1986, and he hoped that other industries would move away from statutory pay fixing to a more satisfactory arrangement. The proposals would also 'allow greater freedom to negotiate a remuneration package for young workers to get them into employment'. Studies had shown that wages councils set rates for young workers higher, relative to

older workers, than was often the case in the private sector and in voluntary agreements.

Turning to the third part of the Bill, Mr Clarke said that it limited the payment of redundancy rebates (which were no longer a priority for public expenditure) to employers with fewer than ten employees. This would not affect the statutory right of the individual employee to receive a redundancy payment from his or her employer or from the Department of Employment if the employer was unable to make the payment.

Mr Clarke said that the Bill would promote employment 'by easing the regulation of the labour market and removing burdens on employers'. It would enable employers to employ workers 'under modern conditions without being hamstrung by legislation and controls that are a legacy of yesterday's problems and yesterday's social attitudes'.

Opposition Views

The chief official Opposition spokesman on employment, Mr John Prescott, opposed the Bill and said that it would 'further increase part-time, low-paid, poverty employment', of which there had been so much in the past few years, and would reduce the wages of the lowest-paid people. The Government had produced the Bill in the unsubstantiated belief that a cut in wages arising from the legislation would lead to more jobs. The Bill continued to reduce the range of employee rights built up under successive governments. He also criticised the process whereby the Government was continuing to denounce international agreements on fair employment practices which previous governments had observed.

The Liberal spokesman on employment, Mr Richard Wainwright, criticised the provisions which would limit the activities of wages councils to the setting of a single minimum hourly rate for basic hours and a single overtime rate. He thought it 'difficult to imagine anything more crude and impracticable that could be applied in the complex circumstances of most wage fixing' and feared that the system would fall into disrepute. He also opposed the removal of workers aged under 21 from the scope of wages councils and he did not believe that this would lead to a significant increase in the number of young people in employment.

Government Reply

Replying for the Government, the Parliamentary Under-Secretary of State for Employment, Mr David Trippier, said that it was vital to see the Bill in the context of the Government's wider policy of deregulation and simplification. The Bill would make it possible to have a system of wage payments that suited everyone, while the employer would be able to arrange a set of controls on deductions on pay agreed with employees and which ensured that everybody was aware of the position, with 'a quick and simple system of appeal to an industrial tribunal'. Wages council orders would be much simpler to understand. This section of the Bill also opened up the possibility for employers to take on more young people at a rate of pay properly reflecting the value they could add to the business. The Bill would assist young workers and, although there might be some substitution for older workers, the Government believed that its proposals would lead to a net increase in employment.

Privatisation of Water Authorities in England and Wales

A White Paper containing details of government proposals for privatisation of the ten water authorities in England and Wales was published on 5 February.[1]

In a statement in the House of Commons on 5 February (*Hansard*, Vol 91, No 51, cols 287-309), the Secretary of State for the Environment, Mr Kenneth Baker, said that, following the publication of a discussion paper in April 1985, the Government had now decided to transfer the ten water authorities in England and Wales to private ownership. The water authorities would be privatised with their existing functions, which included the control of water pollution; responsibilities for fisheries, conservation, recreation and navigation; and the maintenance of water supplies and quality. The authorities were largely natural monopolies, and the public would expect a 'firm regulatory framework' to be set up. A new Director General of Water Services would control the authorities through an operating licence, which would set 'strict conditions on pricing and on service standards'.

The establishment of a system to represent the interests of consumers would take into account a report, published on 5 February, from Professor Littlechild of Birmingham University.[2] The system of pollution control would be strengthened in two main ways: through legislation to make the water authorities' river quality objectives subject to ministerial approval, and by provisions for any new requirements to be laid down through a parliamentary procedure. Mr Baker also said that over the last seven years considerable progress had been made in improving the management efficiency of water authorities. Operating costs had been reduced in real terms, even while the demand for their services had been growing, and manpower had been reduced by 20 per cent. Investment was rising, and the quality of water services had been improving in almost all regions. Privatisation was the next logical step. It would bring 'benefits to customers, to the industry itself and to the nation as a whole in improved quality, more efficient service, greater commitment of the staff . . . and greater awareness of customer preference'.

WHITE PAPER

The Government believes that privatisation would be beneficial in a number of ways. The water authorities would be free from government intervention in management and from public ownership constraints on financing, and access to private capital markets would facilitate strategies to cut costs and improve service standards. The competitive pressures of the market would stimulate improved performances, which would be reflected in greater attention to the needs of, and better services to, the customers. Privatisation would also enable closer involvement, through wider share ownership, by customers and employees.

[1] *Privatisation of the Water Authorities in England and Wales.* Cmnd 9734. HMSO, £3·50. ISBN 0 10 197340 3.

[2] *Economic Regulation of Privatised Water Authorities: A Report submitted to the Department of the Environment.* HMSO, £5·50. ISBN 0 11 751839 5.

Background[1]

The nine English regional water authorities and the Welsh Water Authority were set up under the Water Act 1973 on the principle that a single body should plan and control all uses of water in each river catchment (integrated river basin management). The White Paper says that the catchment-based structure of the water industry has worked well in practice, and has been recognised throughout the world as being a good and cost-effective model for other countries to follow. For this reason, the Government intends to retain the structure of the water authorities essentially as they stand in the transfer to private ownership.

The water authorities are large undertakings, employing some 51,000 people, having an annual turnover of about £2,600 million, and with capital investment for 1986-87 likely to be over £900 million. Over 99 per cent of the population of England and Wales is connected to a public water supply. The water authorities supply about 75 per cent and the remainder is supplied by the 28 privately owned statutory water companies. Some 96 per cent of the population is provided with main drainage. In 1984, 16,366 million litres (3,600 million gallons) of water a day were provided by the public water supply, while a further 30,000 million litres (6,600 million gallons) a day were abstracted for non-domestic purposes, such as cooling in connection with electricity generation.

The quality of water supplied has been maintained and in some cases improved. The most recent national survey of river quality showed that 'grossly polluted' rivers had been reduced in length from 792 miles in 1975 to 506 miles in 1980, while lengths of 'grossly polluted' and 'poor' tidal river were reduced by 21 per cent and 47 per cent respectively in the same period, although there are indications that this improvement has not been maintained in the last two years. Many authorities are taking action to prevent pollution of bathing waters by sewage, in accordance with standards laid down by a European Community directive.

Structure

The White Paper says that the water authorities would be privatised with their existing boundaries, and the principle of integrated river basin management would be maintained. The privatised authorities would retain all their present functions except for flood protection and land drainage, which would become the responsibility of special public bodies. They would become limited companies, rather than statutory companies, and the Government would discuss with the present statutory water companies proposals that they should be regulated in the same way, and that the constitutional links between water authorities and water companies should be ended. Under these proposals, the statutory companies would be able to convert to public limited company status and to take advantage of the greater scope for enterprise that this would offer. The choice of agents for sewerage would rest with the privatised water authorities.

Regulation and Consumer Protection

As with telecommunications (see pp 269-73, 1983), and as is proposed for gas (see pp 14-15), the Government intends that the main water services should be regulated by a Director General, through licences granted to the privatised water authorities.

The terms of these licences would limit what customers could be charged and would set requirements about standards of service. The Director General's principal duty would be to safeguard the interests of the customers and to ensure at the same time that the companies would have every incentive to perform well in the interests of their shareholders. The Director General would also be responsible for arrangements to represent customers' interests, which would be based on the existing consultative committees, established under the Water Act 1983. New regional consultative committees would be independent of the water authorities and would report to the Director General.

Protection of the Environment

The Government has placed 'great emphasis on the conservation and improvement of the water environment, and on the promotion of the recreational opportunities', and it intends to ensure that 'sound environmental policies continue after privatisation'. The White Paper says that the new companies would retain responsibility for the protection of rivers and other natural waters from pollution, and would continue to grant discharge consents to third parties. The system of appeal to the appropriate Secretary of State would continue, and the companies' own discharges would remain subject to the consent of the Secretary of State, whose approval would also be required for the levels set for quality objectives, which have been developed in recent years for rivers and estuaries.

These measures, together with recently implemented powers under the Control of Pollution Act 1974, would ensure that the environment is protected. In addition, the Secretary of State for the Environment would have the power, subject to parliamentary procedures, to require the new companies to give effect to European Community and national environmental policies. It is intended that the water supply companies would recover the cost of their environmental services from their main service charges. The Government would make proposals to pass on the costs of pollution control and monitoring to dischargers.

Legislative Plans

The Government's intention is to introduce legislation at the earliest opportunity. As well as providing for the restructuring of the water authorities and establishing a regulatory system, legislation would modernise water and sewerage law, permit domestic water metering trials on a compulsory basis[1] and improve the legislative framework for the control of drinking water and river water quality. Consultation papers are to be issued on the proposals for modernising water and sewerage law and on the arrangements for environmental protection.

[1] For further information on the water supply industry and for a map showing the boundaries of water authority areas see COI reference paper *Water Supply in Britain*, No 135/82.

[1] In general, householders pay for the domestic water supply, sewerage and sewage disposal services through charges based on the rateable value of their property, whereas industrial users are charged for their water supply according to actual metered consumption. Since 1983 optional metering for domestic users has been available in England and Wales. A recently published report (*Joint Study of Water Metering: Report of the Steering Group 1985*. HMSO, £5·85) suggests that in some circumstances compulsory domestic metering of whole areas could be worthwhile.

Airports Bill

The Airports Bill, which provides for the restructuring of the British Airports Authority and for its subsequent privatisation, has received a second reading in the House of Commons. Powers are also contained in the Bill to direct local authorities to transfer their airport undertakings to companies.

Main Provisions

The Bill contains the legislation envisaged in the White Paper issued in June 1985 (see pp 235-8, 1985). It provides for the reorganisation of the British Airports Authority (BAA), which owns and manages seven airports (Heathrow, Gatwick and Stansted in south-east England, and Glasgow, Edinburgh, Prestwick and Aberdeen in Scotland) handling about 75 per cent of air passengers and 89 per cent of air cargo traffic in Britain. It also contains provisions for the dissolution of the BAA, for the transfer of its property, rights and liabilities to a successor company wholly owned by the Secretary of State for Transport, and for the sale of shares in the new company.

The second part of the Bill is concerned with local authority airports and provides powers to direct local authorities to form companies operating under the Companies Act 1985 for the purpose of running an airport business. This provision would be restricted to airports whose annual turnover in at least two of the previous three years exceeded £1 million. Local authorities would be empowered to sell their shares in the new companies.

Under the third part of the Bill the Secretary of State for Transport would be empowered to give directions to airport operators, in the interests of national security or international relations. In addition, the Secretary of State, after consultation with the Civil Aviation Authority (CAA), would be empowered to make rules governing the distribution of air traffic between airports serving the same area, and the CAA would be required to secure their implementation through its air transport licensing function. The Bill also empowers the Secretary of State to set limits on air transport movements at airports, provided that a limit at a particular airport is not set at a level lower than that recently prevailing, and to require the CAA to prepare schemes for allocating capacity at congested airports.

Provisions in the fourth part of the Bill would make all airports with operations above the level set in the second part subject to economic regulation. The Bill requires the CAA to grant permission to levy airport charges to operators of airports subject to economic regulation, and places a duty on the operator to comply with any conditions attached to the permission. It also empowers the CAA to impose conditions on these operators which would require the disclosure of cross-subsidy, and to refer the activities of designated airports to the Monopolies and Mergers Commission every five years.

PARLIAMENTARY DEBATE

The Bill was given a second reading in the House of Commons on 27 January by 257 votes to 180 (*Hansard*, Vol 90, Nos 44-5, cols 691-768).

Government View

Introducing the Bill, the Secretary of State for Transport, Mr Nicholas Ridley, said that it established a framework for the structure, ownership, operation and regulation of Britain's airports for the rest of the twentieth century and beyond. The airports industry was 'a mature and, in many cases, expanding and highly profitable sector of the economy', but it was time to change the regime under which it operated in order 'to liberate management from the constraints of public ownership'. The Government's objective had to be 'to remove the burden of political interference and state control so that airports, airlines and their customers can reap the benefits'.

The Bill provided the powers to enable the privatisation of the BAA, but did not specify how the BAA was to be restructured and privatised. However, the Government intended to privatise the BAA as a whole rather than as seven separate companies. It had concluded that 'splitting up the airports would bring no real advantages since it would be impossible to see any practical way to create effective competition between the individual BAA airports in a system', while there would be some important disadvantages. 'If the airports were privatised separately so that the BAA were not able to use Stansted to take the overflow from Heathrow and Gatwick [which were nearly at the limit of their capacity] and to enable new services to develop, the consequences for airline passengers and for airline competition would be disastrous.' Mr Ridley said that he favoured the restructuring of the BAA into seven separate subsidiary companies under a holding company, while he understood that the BAA might suggest an intermediate Scottish holding company to co-ordinate the management of the Scottish airports. Privatisation would 'innovate, increase efficiency and provide the services that the customers want at the right price and of the right quality', while offering shares to employees would give them 'real involvement in their airport's performance and a stake in its future'.

The Secretary of State said that the main regional airports were substantial businesses and should also operate in a proper commercial environment. Under the second part of the Bill he would be empowered to require major local authority airports to be reconstituted as public limited companies. They would continue to be wholly owned by the relevant local authorities, but he would like to see local authorities introduce private capital into their airport companies, although he did not intend to oblige them to do so. The Bill ensured that there was a proper 'arm's length' relationship between the new airport companies and their parent authorities, so that companies would have proper commercial freedom. It provided for the boards of the airport companies to include full-time airport executives as well as local councillors. It limited the services which local authorities could provide to airport companies, and such services would have to be provided at commercial rates.

The third part of the Bill, the Secretary of State continued, was concerned with the regulation of airport use. The powers to give directions to airport operators were needed primarily to ensure that airports complied with Britain's international obligations, for example, in respect of landing charges. Other measures related to containing excess demand. The Government would be permitted to make traffic distribution rules

setting the strategic aims for the operation of airport systems within which those airports might develop. Rules could be made only after he had consulted and received advice from the CAA, which would be required to consult airport and airline operators. He had already asked the CAA to review the rules for traffic distribution in the London system, and he expected to receive its advice in spring 1986. The provisions for establishing limits on air transport movements at airports were intended to ensure that the development of Britain's airports achieved the right balance between traffic growth and its effects on the surrounding areas. In approving the development of Stansted (see pp 235-6, 1985), Mr Ridley said that he had indicated that he would seek parliamentary approval to set a limit on air transport movements to enable the first phase of the airport's development to be limited to 7 million to 8 million passengers a year. At present he had no intention of setting limits at any other airports. He saw no immediate need for the power requiring the CAA to prepare schemes for allocating slots at airports to be used, but wanted this as a reserve power in the eventuality of a breakdown of the voluntary agreements among airlines or if these worked against the national interest.

The fourth part of the Bill would give the CAA powers to regulate airport charges and trading practices, which would be a natural extension of its existing role as regulator of civil air transport and airports for safety purposes. Mr Ridley said that there would be two tiers of regulation: a first tier containing airports with an annual turnover of over £1 million; and a second tier applying to the largest airports (to be designated by Order) which had a substantial amount of national or local monopoly. Although no final decision had been taken on the airports to be designated, his intention was to designate at least Heathrow, Gatwick, Stansted and Manchester. At these airports the CAA would have a duty to regulate airport charges through a price formula, and every five years the Monopolies and Mergers Commission would carry out an investigation of a designated airport's business. He believed that the new regulatory regime would provide the right balance between the need to ensure that airport companies could flourish within the private sector and the need for a fair deal for the customer.

In conclusion, Mr Ridley said that the Bill would create a new structure for airports in a commercial environment, while providing protection for airlines and passengers. It would bring 'profound and lasting benefits to airports, their customers and to the economy as a whole, thus ensuring that the United Kingdom remains a world leader in aviation'.

Opposition Views

Speaking for the Labour Party, Mr Robert Hughes said that he opposed privatisation, both of the BAA and of the local authority airports. The Bill could not be justified by any transport criteria and no criticism had been put forward of the efficiency of the BAA, which had been consistently profitable for many years. He noted the detailed system of controls and said that there was 'not much room for competition and free enterprise'. In addition, he was not satisfied with the amount of parliamentary control and accountability in the Bill.

For the Liberal Party, Mr Michael Meadowcroft also opposed the decision to privatise the BAA, which he said was a highly profitable body. The BAA was being sold as a whole even though it was a virtual monopoly. 'If it is to be a monopoly, it should be in the public sector rather than the private sector'. The Bill did not take advantage of the virtues of partnership between the public sector and the private sector, including the introduction of private capital into publicly owned companies. It would also stifle municipal enterprise which had been responsible for the successful development of a number of regional airports.

Government Response

In his reply the Parliamentary Under-Secretary of State for Transport, Mr Michael Spicer, reiterated the Government's view that the BAA should be sold as a whole and said that 'the problems of selling the airports separately would doubtless delay the process and benefits of privatisation'. He pointed to the controls in the Bill which would provide safeguards against potential monopolistic abuse by the successor company to the BAA. He said that each of the seven BAA airports would be formed into individual companies 'with separate and totally transparent accounts'. Loans by the parent company to the subsidiaries would be at market rates of interest, and the CAA would have direct powers to prevent the imposition of predatory charges by any one of the airports. The Monopolies and Mergers Commission's investigations of airports would involve a complete review of all the business activities including commercial activities such as car parking. If the Commission found any activity to be against the public interest, it had to report this to the CAA which then had the duty under the Bill to impose conditions on the airport owner to remedy the practice. He noted that ten of the 16 local authority airports relevant to the Bill made losses and believed that, with private sector involvement, better marketing, more imaginative development and greater cost control, many would cease to make losses. Mr Spicer said that the Government had indicated the conditions it would wish to see in any arrangements made for traffic distribution among airports. The most significant were that competition between airlines had to be maintained to the benefit of the user and that satisfactory access to Heathrow and Gatwick must be provided for internal airlines. London's position as the world's most important centre of international air travel had to be maintained, with Heathrow remaining London's main airport for international scheduled services and Gatwick its second airport.

Animals (Scientific Procedures) Bill

The Animals (Scientific Procedures) Bill, which would repeal the Cruelty to Animals Act 1876 and provide for a new system of control of scientific procedures carried out on living animals, has received a second reading in the House of Commons.

The Bill received its second reading on 17 February (*Hansard*, Vol 92, Nos 59-60, cols 87-161) by 125 votes to 28. The new system would impose controls

on the premises at which procedures could be conducted and on establishments which breed or supply the most commonly used laboratory animals. Individual experimenters would require personal licences, and programmes of work would also require project licences. The Cruelty to Animals Inspectorate would be continued and a new statutory committee, the Animal Procedures Committee, would be established to replace the non-statutory Advisory Committee on Animal Experiments.

Government View

For the Government, the Home Secretary, Mr Douglas Hurd, said that the Cruelty to Animals Act, which had been the first such legislation in the world, had generally proved effective. Despite the enormous scope of developments in the biomedical sciences, the principle of the Act had been sustained by a developing system of administrative controls. Scientists and researchers had helped the Cruelty to Animals Inspectorate and successive Home Secretaries to adapt and develop the licensing system. However, there was now general recognition that the time had come to review and alter the Act. The range and scale of work performed under the legislation had expanded considerably in the last 110 years, and there had been fundamental developments in the understanding of the needs of animals and in the public concern for animal welfare. In 1981 the Advisory Committee on Animal Experiments had submitted proposals for new legislation, and the present Bill owed much to these, and to the two White Papers published by the Government (see pp 203-4, 1983 and p 200, 1985). In addition, the Council of Europe had produced a convention, which would shortly be open for signature; the Government had played a leading part in drafting this convention, which would set a common minimum standard for controls on animal experiments. However, the controls proposed in the Bill would be even tighter.

Mr Hurd said that scientists had worked hard to reduce the use of animals in research, and that much work was being done, with government support, to develop alternative methods, but the use of live animals remained necessary. Fundamental research into the causes of disease was as essential as ever, and it was irresponsible to suggest that medical and scientific progress should be brought to a halt. Similarly, research into psychology and into the effects of alcohol and tobacco, and the testing of drugs, vaccines and other consumer products were vital.

The principal feature of the Bill was the new system of dual licensing. In addition to the personal licence required by experimenters under the existing legislation, a project licence, specifying the detail and limits of the authorised research, would be required. Such a licence would only be granted if the proposed work appeared justified, and detailed conditions limiting the severity of procedures would be applied to each project. The Bill would also make new provisions governing the supply and care of laboratory animals, and would extend control to areas not covered by the 1876 Act, such as the use of animals for the production of antisera and the breeding of animals with inherited defects. The Animal Procedures Committee being established to take over the work of the Advisory Committee on Animal Experiments would, like its predecessor, have a high level of medical, veterinary and scientific experience.

Family Expenditure Survey

Average weekly household expenditure in 1984 was £151·92, over 7 per cent higher than in 1983, according to the *Family Expenditure Survey 1984*,[1] published on 26 February.

The report is the latest in an annual series which has been in continuous operation since 1957, following an earlier survey in 1953-54, covering the expenditure of private households. It is based on a sample of 7,081 households from the whole of Britain. The survey is spread over the year and provides comprehensive information about incomes and expenditure, including regular payments such as rent and rates (the local property tax), and details of the households' day-to-day expenditure for 14 consecutive days.

Average weekly expenditure per person in 1984 was £57·97, but there were wide variations between households. The 20 per cent of households with the lowest incomes spent £36·23 per person, some three-fifths of the average for all households, while the 20 per cent with the highest incomes spent £82·57 per person, about two-fifths more than the average. The households with the highest incomes were generally much bigger, with on average more than twice as many members as the lowest 20 per cent. Households with one or two retired people mainly dependent on state pensions reported average weekly spending of £38·75 and £72·96 respectively. Households with one adult and one or more than one child spent respectively £95·29 and £109·34 per week. A couple with two children spent a weekly average of £196·77. Larger households comprising at least four adults with at least one child (average size 5·86 people) spent £280·25 per week, while similar-sized households without children spent £292·44.

Average weekly expenditure in households where the head was an employee in a professional, technical, administrative or managerial occupation was £236·98 in 1984, compared with £162·48 where the head was employed in a manual occupation. Where the head of the household was an employee out of a job, the average weekly household expenditure was £131·84 compared with £190·28 for households with employee heads currently employed. The average gross weekly income in households with a non-retired head and a married woman working was £291·59 in 1984, about 38 per cent higher than in households where the married woman was not working.

Household spending varied in different parts of Britain. For the two-year period 1983-84 average weekly expenditure per household ranged from £124·16 in the North [of England] (some 15 per cent less than the national average of £146·52) to £162·54 in Greater London and £173·83 in the rest of the South East (about 11 and 19 per cent respectively above the national average). Expenditure on housing was comparatively low in Northern Ireland, Wales and Scotland, and high in the South East. Spending on fuel was highest in Northern Ireland, while that on food was highest in the South East. As in 1982-83, expenditure on transport and vehicles was highest in the South East (particularly outside Greater London), but comparatively low in the North. Spending on services was also highest in the South East.

[1] *Family Expenditure Survey 1984*. HMSO, £14·95. ISBN 0 11 361301 6.

Just over a fifth of total household expenditure in 1984 was on food, although there has been a fairly continuous fall in this proportion since 1953-54, when it was about a third. Housing accounted for a further 16 per cent, fuel, light and power for 6 per cent and clothing and footwear 7 per cent. Together, these expenditure groups, including food, accounted for half the household budget compared with three-fifths in 1953-54. Transport and vehicles expenditure (15 per cent) and services (11 per cent) accounted for a further quarter of household spending in 1984, compared with one-sixth in 1953-54.

The pattern of spending according to the age of the head of the household has been extended in the 1984 survey to include separate details for the two age groups 65-74 and 75 years and over. The proportions of spending on housing, fuel, light and power, and food (42 per cent for all households) were 50 per cent of total expenditure for the 65-74 age group and over 56 per cent for the over 75 group. The proportions for transport and vehicles were 11 per cent and 8 per cent respectively, compared with 15 per cent for all households. For durable household goods the proportions were 6·5 per cent and 5 per cent respectively (the average for all households being 8 per cent).

In 1984, telephones were found in 78 per cent of households, compared with 77 per cent in 1983 and 67 per cent in 1979; the equivalent figures for central heating were 66 per cent, 64 per cent and 55 per cent. The proportion of households with the use of a car or van was 61 per cent in 1984, with 16 per cent having the use of two or more vehicles. In households comprising four or more adults without children, 31 per cent had the use of three or more vehicles. The availability of durable goods is also analysed by region for the two-year period 1983-84 and shows marked variations. In the North [of England], 48 per cent of households had the use of a car or van, while in the South East (excluding Greater London) the figure was 75 per cent. Central heating was most widespread in the South East (excluding Greater London) and least in use in Northern Ireland, where the proportion of households with central heating in 1984 was 51 per cent (compared with 49 per cent in 1982-83 and 43 per cent in 1981-82).

Design Council Awards

Design Council Awards for 1986 have been won by 25 British companies for the outstanding design of their products. Announced on 26 February, the awards will be presented by the Duke of Edinburgh in June.

A new category of award, for computer software, was added this year, making seven categories in all. The entries were judged by specialists from the fields of

Decorative, Consumer and Contract Goods	
Fisher-Miller	full-size human skeleton in card
Fox and Floor	hardwearing 'three-dimensional' corrugated fabric
Patricia Roberts	'patchwork sampler collection' of hand-knitted garments
Stoddard Carpets	contract carpet tiles
Durable Consumer and Contract Goods	
Glasdon	free-standing litter bin
Mars Electronics	marine radar
Thrislington Sales	toilet, shower and changing cubicles
Engineering Products	
GEC Transmission and Distribution Projects	high-powered electronic switching unit
Landsaver	hydroponic unit to grow fresh animal feed
Pearpoint	probe for pipe and drain surveys
Rieter-Scragg	fine denier hosiery yarn processing machine
Hydrovane Compressor Co	rotary vane air compressor
Engineering Components	
Ayrshire Metal Products	steel building frame for construction industry
Nobel's Explosives Company	electric detonators
Rolls-Royce	RB211 turbine blade
Thermomax	solar heating equipment
Ventrolla	draught proofing for sliding sash windows
Computer Software	
Space-Time Systems	computer-based box office system
Thorn EMI	teleprocessing monitor
Medical Equipment	
Ciba Corning Diagnostics	sodium/potassium sample analyser
Clinical Engineering Designs	custom-made chairs for the disabled
Protectair	orthopaedic braces and hinges
Motor Industry	
Automotive Products	racing car clutch
King Trailers	pole erection unit
Leyland Vehicles	Roadrunner truck

design, engineering, manufacturing, retailing, marketing and journalism against a broad set of criteria including design innovation, effective use of materials and resources, appearance, ease of use, performance and reliability in service, as well as commercial performance. An exhibition of the award-winning products opened at the Design Centre in London on 26 February and will last until 1 April; it will later appear in Glasgow from 9 May to 3 June.

The successful companies and their products are listed on p 96.

Shorter Notes

MULTI-FIBRE ARRANGEMENT

The Government has reiterated its support for the Multi-Fibre Arrangement (MFA) of the General Agreement on Tariffs and Trade (GATT) until it is satisfied that there is no further need for the safeguard it provides. The MFA permits a measure of restraint on imports of textiles into developed from developing countries. The current arrangement comes to an end in July.

The Minister for Trade, Mr Alan Clark, made the announcement in the House of Commons on 13 February. This supported the pledge which had been given in May 1985 by Mr Paul Channon, now Secretary of State for Trade and Industry, when he was Minister for Trade (see pp 202-3, 1985). Mr Clark said that there were three principal aspects of Britain's policy on the MFA: first, the interests of the British people; secondly, the complexities arising from the fact that the European Community negotiated on behalf of Britain and the other member countries; and, thirdly, the position of the MFA in relation to Britain's world trading policy, the GATT and the objective of a reduction in trade barriers.

On its establishment in 1974 the MFA had been intended as a temporary measure; this remained the case. Explaining the need for its retention for the time being, the Minister said that the British textile industry was 'a great industry', employing some 2 per cent of the nation's workforce. Together with its counterparts in other Western countries it had recently experienced a period of considerable change as the entry of new world suppliers coincided with rapid technological advance. This combination of circumstances had justified the exceptional step of suspending the internationally agreed trade rules for a time so that discriminatory import quotas could be lawfully imposed to give the textile industry – in Britain and elsewhere – a breathing space in which to adjust.

Mr Clark added that, in considering the effects of trade restrictions, their impact on the economy as a whole as well as on the protected industry had to be taken into account. Studies (see p 24, 1985) had pointed out that curtailing consumers' freedom of choice led to increased prices. Higher prices for the products of one industry left consumers with less money to spend on those of others. Thus, although trade restrictions could save jobs in a particular industry, they might not have the same effect in the economy as a whole.

There were a number of areas in which the Government was aware that liberalisation faced particular problems. Among these were children's clothes; quotas which were disproportionately costly relative to the amounts of British production protected; the problems of the poorest developing countries; and the position of those countries which had only low barriers against British exports. The Government also appreciated that state trading countries should continue to be handled differently from market economies.

The Minister did not regard free trade and protectionism as mutually exclusive alternatives that ruled out any other approach. Free trade was admirable if every country followed it but, if Britain were to 'try to achieve it by example alone it may be dangerous and even damaging. The hard-headed bargaining of reciprocal advantage and concession in an atmosphere of mutual respect is completely different from protectionism. Any government who ignore that principle in obeisance to some abstract credo . . . are in derogation of their duty to their people.'

Source: *Hansard*, Vol 91, No 57, cols 1109-49.

NATIONAL SEED DEVELOPMENT ORGANISATION

The Government's decision to privatise the National Seed Development Organisation and part of the Plant Breeding Institute was announced by the Secretary of State for Education and Science, Sir Keith Joseph, in the House of Commons on 18 February. Sir Keith said that the Agriculture Ministers and he had decided that such a transfer would be desirable, provided that it could be achieved on satisfactory terms.

The National Seed Development Organisation, based at Newton (Cambridgeshire), was established as a commercial company in 1967, and all its shares are held by the Government. It produces and markets seed of plant varieties bred with government funding. The majority of its income, which in 1984-85 totalled some £11 million, is derived from varieties produced at the Plant Breeding Institute (based at Trumpington, Cambridgeshire), an institute of the Agricultural and Food Research Council. The Institute is engaged in research into both plant science and plant breeding, but only the breeding parts of the research programme are being considered for privatisation.

Source: *Hansard*, Vol 92, No 60, written answers, cols 108-9; Department of Education and Science press notice, 18.2.86.

FINANCE FOR STUDIES OF NEW BRITISH SPACE VEHICLE

The British National Space Centre (see p 391, 1985) is to finance half the costs of a six-month programme of initial studies being conducted by British Aerospace and Rolls-Royce into the feasibility of a new space vehicle which would be significantly more economic

to operate than current vehicles. The vehicle would be a 'spaceplane', initially pilotless, capable of taking off from a runway, such as those used today by large conventional airliners. (For this reason, the vehicle has been called 'HOTOL' – 'horizontal take-off and landing' – to distinguish it from current space vehicles which are carried vertically on a rocket for the first stage of their flight.) HOTOL would be able to climb to 26 km in 9 minutes, reaching a speed of Mach 5, and then adopt a trajectory like a rocket's in order to go into 'low earth orbit' at 320 km above the world's surface. Here, it is envisaged, it would be able to launch a 7-tonne satellite, and then return to its launching runway. It is thought that such a launch might cost only a fifth of what it would cost using other systems currently in operation (such as the United States 'Shuttle'). Many of its economies would spring from the fact that the vehicle would be entirely re-usable, in contrast to present launching systems which employ rocket launchers or fuel tanks which are jettisoned when they have served their purpose. The novel feature being investigated by Rolls-Royce which makes this concept feasible is the use of a 'hybrid' jet engine to power the vehicle both in its flight through the atmosphere and in its spaceflight. Throughout its flight, HOTOL's engine would function like that of a rocket on a mixture of oxygen and hydrogen, but in the climb to the 26-km level the oxygen would be 'breathed in' by the engine from the surrounding air, not carried on board. For the 'rocket trajectory' section of the flight, the engine would switch over automatically to a mix of liquid oxygen and hydrogen for its fuel. Considerable savings in weight gained by the breathing-in of oxygen instead of having to carry it mean that the engine would not have to lift as heavy a load as rocket engines currently do.

The six-month programme of 'proof of concept' studies is expected to cost £750,000. If a decision to proceed with further studies is taken, the possibility of using the vehicle to recover lost or damaged satellites and of docking with other vehicles or space stations will be investigated. The initial and further studies are expected to last two years and cost some £3 million in all. Subsequently the technology would be explored with Britain's partners in the European Space Agency.

Source: Department of Trade and Industry press notice, 5.2.86.

PATENT OFFICE

The Patent Office, currently part of the Department of Trade and Industry, is to become a statutory non-departmental body, although the Secretary of State for Trade and Industry will retain the power to appoint a management board and advisory committees and to set targets. Legislation to give effect to this decision will be introduced in due course. The change of status is consistent with proposals made in a government Green Paper published in December 1983 (see p 29, 1984), and is intended to make the office more responsive to the needs of inventors, to free it from the traditional civil service framework, and ensure that it should be self-supporting from fees and free to finance investment programmes. The Patent Office grants patents and registers trade marks and industrial designs, and is also concerned with copyright matters.

Source: Department of Trade and Industry press notice, 13.1.86.

RADIOACTIVE WASTE DISPOSAL

Arrangements for exploratory geological work at four possible sites for the disposal of low-level and shorter-lived intermediate-level radioactive wastes are set out in a draft Special Development Order issued on 25 February by the Secretary of State for the Environment, Mr Kenneth Baker. Issuing the draft for consultation with the local authorities and water authorities concerned, Mr Baker indicated that he hoped to lay the Order before Parliament for approval in April. If approved, it would permit the Nuclear Industry Radioactive Waste Executive (NIREX) to carry out detailed geological investigations at Elstow in Bedfordshire, Fulbeck in Lincolnshire, Bradwell in Essex and South Killingholme in Humberside. The types of work which the Order would permit would be strictly limited and would include the test drillings and soil sampling required to evaluate the geology and hydro-geology of the sites. It would also control operational matters, such as hours of working, and would require NIREX to make good the sites when investigations, which could take between 12 and 18 months, had been completed. If none of the sites were confirmed as suitable, none of them would be developed. However, should NIREX subsequently wish to develop a site, this would be subject to a full public planning inquiry under an independent inspector. If planning permission were given, the facility would still need a licence from the Nuclear Installations Inspectorate and any waste disposal would require authorisation by the Department of the Environment and the Ministry of Agriculture, Fisheries and Food.

Since 1976 successive governments have endorsed the view that burial of appropriate waste for the nuclear industry in land sites is a satisfactory method of disposal and have accepted the industry's recommendation that a national facility should be developed. The Government's 1982 White Paper (see p 277, 1982) identified steps to be taken by the Government and the nuclear industry, and noted in particular the need to remedy the lack of suitable disposal facilities for intermediate wastes. The nuclear and electricity-generating industries therefore established NIREX to dispose of their low- and intermediate-level wastes, and the Executive was asked in January 1985 to select and announce as soon as possible at least two further possible sites for shorter-lived wastes for investigation in addition to Elstow, the site originally identified.

Sources: *Hansard*, Vol 92, No 65, cols 812-25; Department of the Environment press notice, 25.2.86.

SOCIAL AND CULTURAL AFFAIRS

Uprating of Social Security Benefits

Increases in social security benefits to take effect from 28 July instead of a date in November as hitherto have been announced by the Secretary of State for Social Services. This is a transitional arrangement towards introducing April upratings from 1987 in order to bring social security into line with the income tax year. The new rates reflect a rise in the retail price index of 1·1 per cent between May 1985 and January 1986 and, as a result of the uprating, expenditure on social security in 1986-87 will rise by £410 million to almost £43,000 million, that is, 31 per cent of all public expenditure.

The new benefit rates were announced in the House of Commons on 24 February by the Secretary of State for Social Services, Mr Norman Fowler (*Hansard*, Vol 92, No 64, cols 68-798). The main points of Mr Fowler's statement are as follows.

Pensions

The retirement pension for a married couple will rise from £61·30 to £61·95 a week and for a single person from £38·30 to £38.70. Public service pensions will be increased by the same percentage as will benefits for disabled people and war pensioners. The increase will keep pensions ahead of the rise in prices since 1979.

Unemployment Benefit

The basic rate of unemployment benefit will be increased from £30·45 to £30·80 for a single person and from £49·25 to £49·80 for a married couple.

Other Benefits

Mobility allowance will go up from £21·40 to £21·65 a week although transport costs have fallen over the period. Other main contributory and non-contributory benefits will be increased by 1·1 per cent.

Benefits for Children

Mr Fowler said that the Government believed it right to continue child benefit for all children irrespective of the parents' income. But its level had to be considered both in relation to overall priorities within social security and also with the aim of doing more for families on low incomes with children. On this basis child benefit will be increased by 10p a week to £7·10 – rather more than the rate of inflation. The older children's rates for supplementary benefit and the age-related amounts for family income supplement will also go up by slightly more than 1·1 per cent.

Supplementary and Housing Benefit

The long-term rate of supplementary benefit and the housing benefit needs allowances will increase by 1·1 per cent. The higher rate for the heating addition which goes to the very elderly, the severely disabled and to people with homes that are especially difficult to heat will increase from £5·45 to £5·55.

In recent years there has been a steep rise in supplementary benefit single payments [payable for such items as bedding, furniture and household equipment] and the real cost has increased by over five times to more than £300 million a year since 1981. Because of this, draft regulations amending the rules for single payments have been referred to the Social Security Advisory Committee for consultation.

(Proposals for the reform of the social security system are contained in the Social Security Bill, which had its second reading in the House of Commons on 28 January – see p 71.)

BENEFIT RATES

Main Contributory and Non-Contributory Benefits

The payment of some benefits – such as retirement, or widows' and invalidity pensions and sickness and unemployment benefit – depends on contributions paid under the National Insurance scheme. Other benefits do not depend upon contributions: the main one is child benefit, but there are also a number providing special help, for example, for disabled people.

	Existing weekly rate £	*Proposed weekly rate* £
Child benefit		
Each child	7·00	7·10
One parent benefit		
First or only child of certain lone persons	4·55	4·60
Retirement and widow's pensions, and widowed mother's allowance		
Single person	38·30	38·70
Wife or other adult dependant	23·00	23·25
Earnings limit for retirement pensioners	75·00	75·00
Invalidity pension		
Single person	38·30	38·70
Spouse or other adult dependant	23·00	23·25

	Existing weekly rate £	*Proposed weekly rate* £
Invalidity allowance		
Higher rate	8·05	8·15
Middle rate	5·10	5·20
Lower rate	2·55	2·60
Unemployment benefit		
Single person	30·45	30·80
Wife or other adult dependant	18·80	19·00
Sickness benefit		
Single person	29·15	29·45
Wife or other adult dependant	18·00	18·20
Widow's allowance (first 26 weeks of widowhood)	53·60	54·20
Maternity allowance	29·15	29·45
Attendance allowance		
Higher rate	30·60	30·95
Lower rate	20·45	20·65
Severe disablement allowance	23·00	23·25
Invalid care allowance	23·00	23·25
Wife or other adult dependant	13·75	13·90
Mobility allowance	21·40	21·65
Guardian's allowance, child's special allowance	8·05	8·05
Rate of benefit for children of: widows; invalidity and retirement pensioners; invalid care beneficiaries; unemployment and sickness beneficiaries when claimant is over pension age	8·05	8·05

Industrial Injuries Benefits

Industrial injuries benefits are payable to employed people who suffer injuries caused by an accident at work or from a prescribed industrial disease. Disablement benefit is usually paid after a qualifying period of 15 weeks if there is a loss of physical or mental faculty. (During the qualifying period sick pay or sickness benefit is payable.)

	Existing weekly rate £	*Proposed weekly rate* £
Disablement benefit (100 per cent assessment)	62·50	63·20
Unemployability supplement	38·30	38·70
Special hardship allowance (maximum)	25·00	25·28
Constant attendance allowance (normal maximum), exceptionally severe disablement allowance	25·00	25·30
Industrial death benefit		
Widow's pension during the first 26 weeks of widowhood	53·60	54·20
Higher permanent rate	38·85	39·25
Lower permanent rate	11·49	11·61

Main Supplementary Benefits

Supplementary benefits are payable to people who are not in full-time work and whose financial resources fall below a certain level. The amounts shown below are the weekly levels laid down for the requirements of married couples, single householders and others. Benefit awarded is the difference between resources and these requirements. The long-term rates apply to claimants over 60, most disabled people, and to those people below the age of 60 who have received supplementary benefit continuously for two years, provided that the award has not been subject to the condition of registering for employment.

	Existing weekly rate £	*Proposed weekly rate* £
Ordinary rate		
Couple	47·85	48·40
Person living alone	29·50	29·80
Non-householder aged:		
18 and over	23·60	23·85
16-17 years	18·20	18·40
Any other person aged:		
11-15 years	15·10	15·30
Under 11 years	10·10	10·20
Long-term rate		
Couple	60·00	60·65
Person living alone	37·50	37·90
Non-householder aged:		
18 and over	30·00	30·35
16-17 years	23·00	23·25
Heating additions	2·20-5·45	2·20-5·55

Family Income Supplement

Family income supplement is a benefit for families with small incomes where the head of the household is in full-time work and where there is at least one dependent child. It is payable when the gross weekly income of the family falls below a prescribed amount. The amount varies according to the number of children in the family, but is the same for single- and two-parent families. 'Full-time work' means, for the purposes of this benefit, work of at least 30 hours a week for two-parent families or 24 hours a week for one-parent families.

	Existing weekly rate £	*Proposed weekly rate* £
Prescribed amount, family with one child		
Child under 11	97·50	98·60
11-15	98·50	99·60
16 and over	99·50	100·60
Increase for each additional child		
Child under 11	11·50	11·65
11-15	12·50	12·65
16 and over	13·50	13·65
Maximum amount payable, family with one child		
Child under 11	25·00	25·30
11-15	25·50	25·80
16 and over	26·00	26·30
Increase for each additional child		
Child under 11	2·50	2·55
11-15	3·00	3·05
16 and over	3·50	3·55

Main War Pensions

War pensions are payable to people disabled as a result of service in the armed forces, to people disabled from injuries in the Merchant Navy or Civil Defence during wartime, or to civilians injured by enemy action.

	Existing weekly rate £	*Proposed weekly rate* £
Disablement pension for Private at 100 per cent rate	62·50	63·20
Age allowance, depending on degree of disability	4·35-13·60	4·40-13·70
Unemployability allowances		
Personal allowance	40·65	41·10
Increase for wife or other adult dependant	23·00	23·25
Increase for child	8·05	8·05
Constant attendance allowance		
Normal maximum	25·00	25·30
Comforts allowance		
Higher rate	10·80	10·90
Lower rate	5·40	5·45
Mobility supplement	23·80	24·05
Allowance for lowered standard of occupation (maximum)	25·00	25·28
Exceptionally severe disablement allowance	25·00	25·30
Severe disablement occupational allowance	12·50	12·65
Clothing allowance (annual rate)		
Higher rate	85·00	86·00
Lower rate	54·00	55·00
Widow's pension (Private's widow)		
Standard rate	49·80	50·30
Childless widow under 40	11·49	11·61
Rent allowance (maximum)	18·95	19·15
Age allowance for elderly widows		
Age 65-69	5·35	5·40
Age 70-79	10·70	10·80
Age 80 and over	13·40	13·55

Housing Benefit

Housing benefit, which is administered by local authorities, is available to claimants needing help with housing costs. The needs allowances are the levels laid down to cover basic weekly living expenses.

	Existing weekly rate £	*Proposed weekly rate* £
Needs allowances		
single person	47·70	48·10
couple/single parent	70·20	70·85
single handicapped person	53·20	53·65
couple (one handicapped) or single handicapped parent	75·70	76·40
couple (both handicapped)	78·25	79·00
dependent child addition	14·50	14·60

Inner City Aid

New powers for the Secretary of State for the Environment to give financial assistance towards urban regeneration schemes are contained in the Housing and Planning Bill, which has received its second reading in the House of Commons. The Secretary of State for Employment has announced the Government's intention to establish 'task forces' in an urban employment initiative to intensify and bring together the efforts of government departments, local government, the private sector and the local community in eight inner city areas.

The social, environmental and economic problems faced by some urban communities have been the subject of considerable public debate in the last year. These problems were, for example, highlighted in the *Inquiry into British Housing*, a report produced in 1985 for the National Federation of Housing Associations by a commission chaired by the Duke of Edinburgh (see p 283, 1985), and the report *Faith in the City* published in December 1985 by a Church Commission set up by the Archbishop of Canterbury, Dr Robert Runcie, under the chairmanship of Sir Richard O'Brien, a former chairman of the Manpower Services Commission. The Church Commission report identified what it termed urban priority areas, not only in the inner cities but also in the large housing estates on the fringes of cities, which it regarded as the most pressing problem of the mid-1980s. The planned resurgence of Britain's cities, it said, could only come about if there were substantial direct financial support from the Exchequer to these areas, although it noted that the injection of money was only a part of the answer.

Housing and Planning Bill

The Housing and Planning Bill received its second reading in the House of Commons on 4 February (*Hansard*, Vol 91, No 50, cols 152-238), when an Opposition amendment was defeated by 290 votes to 213. Introducing the Bill, the Minister for Housing, Urban Affairs and Construction, Mr John Patten, said that its underlying theme was the need to create the conditions in which available resources were released and mobilised to improve the conditions in which people lived, especially housing conditions, and to tackle problems in the inner cities.

Under the Bill, a new type of grant – Urban Regeneration Grant – will be paid direct to private enterprise (instead of being channelled, as at present, through local government) to promote the regeneration of run-down urban areas. The Government has consistently maintained that the private sector must play a large part in the regeneration process, and views the grant as a significant new means of encouraging this. For England and Wales, the grant will initially be used to assist programmes carried out by consortia and other private sector interests concerned with urban regeneration in a limited number of places, with estimated expenditure by the Department of the Environment ranging between £10 million and £20 million for 1987-88. In Scotland, the power is being sought on a contingency basis, with expenditure for 1987-88 in the region of £3 million to £5 million.

The Bill will also amend the provision of the Housing Act 1985 concerning the secure tenant's right to buy,

by ensuring that a secure tenant of a public sector landlord does not lose this right or the right to a mortgage when his or her home is sold to a private landlord. It increases by 10 per cent the discount on flats sold under the right to buy legislation and will reduce from five to three years the period during which there is a liability to repay discount on resale of both flats and houses. New limits are placed on the charges payable by flat buyers for repairs during the first five years after purchase, and a new right to a loan in respect of repair charges is introduced. Tenants would also be given a greater say in the running of council estates.

The Bill also provides for the establishment of Simplified Planning Zones, first proposed in the White Paper *Lifting the Burden* in July 1985 (see p 272, 1985), within which specified types of development would be allowed without the need for developers to submit planning applications. The zones would have effect for ten years and there is provision for public inquiries to hear objections to their establishment.

Other parts of the Bill include provisions for a new control over the presence of hazardous substances on land, and a number of detailed amendments to legislation on town and country planning and listed buildings, designed to simplify the law and to improve the efficiency of the planning system.

Urban Employment Initiative

Introducing the initiative in the House of Lords on 6 February (*Hansard* (*HL*), Vol 470, No 40, cols 1278-86), the Secretary of State for Employment, Lord Young, said that the creation of 'task forces' to work with the local authorities and local community and voluntary organisations, and to attract private sector participation in the chosen areas, represented a further step to improve the targeting, and to enhance the benefit, to local people of money channelled through existing central government programmes. These include the employment and training programmes of the Manpower Services Commission, the Department of Trade and Industry's programme of regional and industrial assistance, the Department of the Environment's Urban Programme and the Home Office programmes of black business support (see p 326, 1985) and grants to support staffing of services to ethnic minority populations. The areas selected, Lord Young said, although diverse in character, shared problems of deprivation and lack of opportunities. (They are: Notting Hill and North Peckham in London, the Chapeltown area of Leeds, North Central Middlesbrough, the Highfields area of Leicester, Moss Side in Manchester, St Paul's in Bristol and Handsworth in Birmingham.) Within these areas new approaches would be tested, particularly regarding training provision and employment or self-employment opportunities for local residents. The Government would seek to stimulate enterprise and to provide a stronger base for the local economy, through projects and activities of direct benefit to the areas concerned, and would give special attention to the problems of young people from ethnic minorities where these were particularly disadvantaged. Funding already available to these areas under existing government programmes, he said, would be supplemented by an additional £8 million and he himself would have overall responsibility for co-ordinating the initiative.

Background

The Government already provides significant help to inner cities. The Urban Programme, introduced in 1968, covers economic, environmental and social projects and is directed towards inner urban areas where the problems of deprivation are most severe. It aims to strengthen the economies of these areas and the prospects of their residents; to improve the inner area environment; to alleviate social problems; and to achieve a new balance between the inner areas and the rest of the city region in terms of population and jobs. Expenditure on the Urban Programme in England has doubled – to £338 million – in real terms since 1978-79, and urban development grant of £65 million has attracted £300 million of private investment to the inner cities.

The relaxation of tax burdens and statutory controls had attracted over 20,000 jobs to the 25 Enterprise Zones in Britain by the autumn of 1984 and an additional 58,000 sq m (624,300 sq ft) of floorspace had been developed in these areas which had previously suffered dereliction and economic decline.

The Derelict Land Grant has doubled in real terms since 1979 to £82 million in 1985-86 in England and Wales; housing improvement grants will total some £500 million and government support to housing associations in England through the Housing Corporation some £706 million in 1985-86; while support for local authority posts dealing with the special needs of Commonwealth immigrants has doubled to £95 million in 1985-86.

Some £670 million is being spent in 1985-86 tackling problems of housing, dereliction and employment in the inner city 'partnership' areas (Birmingham, Liverpool, Manchester/Salford, Newcastle upon Tyne/Gateshead, and the inner London boroughs of Hackney, Islington and Lambeth) where central and local government work together through joint 'City Action Teams' to tackle severe urban problems. Overall spending on employment and training measures has doubled since 1978-79 to £2,200 million in 1985-86, with spending in the 'partnership' areas rising by a quarter from the 1984-85 level to £140 million. Spending on government programmes in the eight urban employment initiative areas (see above) will total some £75 million in 1985-86, over £23 million of it through programmes of the Manpower Services Commission. In addition, the Government increased its support for the voluntary sector to £640 million in 1984-85. Local authority spending has also increased significantly: from £1,000 million in 1978-79 to just over £2,000 million in 1985-86 in the Urban Programme authorities in England and Wales.

Two Urban Development Corporations – in London's Docklands and on Merseyside – were set up in 1981 with the aim of reversing urban decline by tackling the particular problems and opportunities offered by these two areas following large-scale dock closures and thus securing their regeneration. In 1985-86, £95 million is being allocated to the Corporations, making a total of some £360 million of public money since their establishment. Over £1,000 million of private investment has been attracted to the areas for housing, industry, commerce, transport and leisure resources.

In addition, the Government continues to encourage local authorities to concentrate on repairing their existing stock of homes and strongly encourages home ownership, particularly through the right to buy.

Shorter Note

DIRECT BROADCASTING BY SATELLITE

The Independent Broadcasting Authority (IBA) is being invited to advertise the franchise for a direct broadcasting by satellite (DBS) service (see pp 183-6, 1984), the Home Secretary, Mr Douglas Hurd, announced in the House of Commons on 20 February. (A proposed DBS joint project involving the British Broadcasting Corporation and the commercial sector was abandoned last year.) Programme contractors are to be sought for three DBS channels under arrangements agreed internationally by the World Administrative Radio Conference in 1977 whereby each European country has been allocated a geostationary orbital position and frequencies for five DBS channels so as to prevent interference between neighbouring countries. It is hoped that the new service will start operating in three or four years time; after it has been running for at least three years the Government will allot two additional channels.

In order to receive the new DBS service, householders in Britain will need a small receiving dish and set-top converter and to have an unobstructed view of the sky from some part of the building in which they live; consumers in some other parts of Europe will probably be able to receive the service using larger dishes and cable systems.

The Home Secretary said that the development of the service would widen the choice and diversity of broadcasting, and would offer valuable opportunities to the broadcasting, space equipment and consumer electronics industries in Britain. Programme contractors would, however, be free to buy the satellite from overseas as well as from British companies. Mr Hurd stressed that the service would be a commercial one funded by advertising or subscriptions, and it would not require public money: the IBA would control the service, but the satellite and the programmes would be provided by commercial companies.

Sources: *Hansard*, Vol 92, No 63, written answers, cols 308-9; and Home Office press notice, 20.2.86.

DOCUMENTATION

Government and Administration

Report of the Parliamentary Boundary Commission for England on its 1985 Interim Review of 19 Parliamentary Constituencies. Makes proposals for minor changes to the 19 constituencies. A draft Order to give effect to the recommendations was laid before Parliament on 20 February. HMSO, £5·50. ISBN 0 10 221686 X.

Resettling Refugees: the Lessons of Research, by Simon Field (Home Office Research Study No 87). Examines British policy on resettling refugees and the work of the voluntary agencies, and discusses such questions as the refugees' experience of resettlement and changes in their attitudes, employment and mental health. The geography of resettlement is also dealt with. HMSO, £4·70. ISBN 0 11 340815 3.

Reparation – a Discussion Document. Examines issues related to the place of reparation schemes between offenders and their victims in the criminal justice system. Available unpriced from the Home Office, Room 314, 50 Queen Anne's Gate, London SW1H 9AT.

Economic and Scientific Affairs

Guide to Official Statistics. No 5. 1986. Central Statistical Office. HMSO, £21·95. ISBN 0 11 620200 9.

Britain's Public Expenditure 1986-87 to 1988-89. (Reproduced from *Survey of Current Affairs.*) COI, No 240/86.

Local Government Finance: Proposals for Reform. (Reproduced from *Survey of Current Affairs.*) COI, No 279/86.

Industrial Relations in Britain. COI, No 187/85. (French and Spanish versions in preparation.)

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